The background of the entire page is a dark, textured surface with several strips of film. The film strips are light gray with a row of small black dots along one edge, mimicking the sprocket holes of a film strip. They are arranged in a dynamic, overlapping fashion, with some strips running diagonally from the top left towards the bottom right, and others more horizontal or slightly curved. The lighting creates a sense of depth, with some strips appearing to be in the foreground and others receding into the background.

PURE *M*ICHIGAN®
Film Office

2015
STRATEGIC PLAN

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PURE MICHIGAN®
Film Office

May 2015

Michigan is the comeback state. Unemployment is down, private investment is booming, and Detroit is thriving. Michigan has a story to tell and what better way to tell it than through the entertainment industry.

The Michigan Film Office (MFO) has served the state since 1979 assisting the creative industry in its pursuit of promoting Michigan on a national and international level through film, documentaries, TV series, interactive web and games, mobile and digital media projects. Today, the depth and scope of the MFO is much greater than just the incentive program; however, there is much work to do to improve its reputation, support the creative industry and ensure accountability of the dollars being utilized.

Enclosed you will find the Michigan Film Office's 2015 strategic plan. This plan includes short- and long-term goals and recommendations the MFO believes are necessary to help bridge gaps amongst the creative industries, promote the Pure Michigan brand, improve transparency and communication to our legislative partners, and ultimately ensure that taxpayer dollars are being used wisely. Many of the recommendations provided in this strategic plan will include private partners who understand the importance of the creative sector in Michigan. These private partners realize our state has been at the forefront of innovation and with Michigan continuing its comeback, now is the time to capitalize on the reinvention efforts of our state and apply them in all areas, including the MFO.

Thank you for taking the time to review this strategic plan. The MFO looks forward to working with the governor and the legislature, the creative industry and private partners to ensure each of these goals and recommendations becomes a reality.

Sincerely,

Jenell Leonard
Michigan Film Commissioner



MICHIGAN FILM OFFICE

The Michigan Film Office (MFO) was created in 1979 to assist and attract incoming production companies and to promote the growth of Michigan's indigenous industry. Since its inception, the MFO commissioner has been responsible for implementing a program that lives within the parameters of Michigan law and works to ensure the program runs efficiently and effectively. Today, the MFO is working diligently to guarantee the incentives leveraged through the film and digital media production assistance program accomplish key results of private investment and workforce development by encouraging high wages, high-tech jobs and talent retention.

EXECUTIVE SUMMARY

Michigan has a great deal to offer the film and creative industries and is extremely competitive in comparison to other states in the nation. The Michigan Film Office (MFO) has focused on trying to maximize the efforts of the film and creative industries as a whole. Throughout an extensive three month listening tour, the MFO engaged policymakers, industry partners and film and creative industry stakeholders on both the state and national level to identify the strengths and weaknesses of the MFO and what can be done to strengthen its efforts to cultivate the creative economy in Michigan.

Several challenges were identified that are more thoroughly discussed in the next section. Highlighting the challenges reinforces the need for the MFO to reinvent the way business is done in order to properly support the creative industry. Upon meeting with various industry members, the MFO identified three over-arching goals to focus on as it moves forward:

- Foster positive perception of Michigan as a place with a legacy of innovation and creativity that appreciates and cultivates the arts and culture.
- Strengthen regional partnerships with private sector, cultural institutions, arts groups and philanthropic community.
- Build collaborations with the educational community, including high schools, colleges and arts-related programs to retain Michigan's talent.

This strategic plan provides short- and long-term goals that are the first steps towards efficiently and effectively providing this support and maximizing these over-arching goals. This document will serve as a guide for the MFO on how best to foster the foundation of the creative industry in Michigan, leverage current resources to maximize potential partnerships and work to enhance Michigan's national and international exposure.

MICHIGAN FILM OFFICE

CHALLENGES

As with any industry, challenges arise that provide an opportunity to consider modifications to a plan and take advantage of the chance for change and reinvention. Many current challenges were taken into consideration as this strategic plan was created by the MFO.

DATA: Quantifying data in an efficient and effective manner on both incented and non-incented creative projects has always presented a challenge. It is also difficult to quantify the intangible aspects of the industry and its impact on the state's image (i.e., celebrity quotes, national and international festivals). There is the additional challenge of translating the data that is provided into measures and metrics known by all industries (i.e., job creation versus workforce and skill development).

PERCEPTION: The perception is that the MFO simply manages the film incentive program and that incentives benefit a narrowly targeted audience. While managing the incentive program is one component of the office, a great deal of time is spent on building relationships with and around projects not seeking incentives such as college programs, partnerships with the regional film offices and growing the digital media industry in Michigan.

CREATIVE VS. INDUSTRIAL ECONOMY: Spurred by innovation, fearlessness and unmatched work ethic, Michigan forged itself as a powerhouse in the industrial era defined by 40 hours a week on the line and storefront businesses. The emerging global economy is fluid and nimble and increasingly fueled by the creative class that takes part in high-wage positions while working from home. Shifting culture to recognize the current scope of this unconventional economy and its growth potential is critical to learning how to best support it and Michigan's reinvention.

SUSTAINABILITY: The film credit program was created in 2008. In 2011, it was restructured to a cash rebate program and in 2014, the program underwent additional revisions related to how the program is implemented. Like other industries, when a company is planning to make an investment in a particular state, they are looking at the sustainability of the industry structure.

INVESTMENT IN MICHIGAN: An incentive, by definition, is designed to inject investment dollars into the economy that would not otherwise locate in the state. In fiscal year 2014, the MFO awarded 27 projects that will generate a positive local economic impact to the respective communities to Michigan residents and vendors. The challenge is quantifying the true impact of this private investment on the communities versus the return on investment to the state.

"We are addressing challenges and forging a new path that will transform the Michigan Film Office as a catalyst in the evolution of the state's creative industries."

— Jenell Leonard, Michigan Film Office

PARTNERSHIPS WITH CULTURAL INSTITUTIONS:

There are many cultural partners across the state whose relationships have not been nurtured and developed to work towards the common goals of the creative industry. There lies great opportunity to work together and formalize partnerships to further grow the foundation of the creative industry in Michigan.

RETAINING AND ATTRACTING TALENT: On a national and international level, one of the main deterrents for a production or digital media company investing in Michigan is the lack (perceived or actual) of a deep crew base or talent pool. The competitive nature of the industry and competition from other states that leverage their film industry as part of their state's economy draws crews from Michigan. A lack of opportunity to build robust portfolios sends Michigan's creatively focused youth to the coasts.



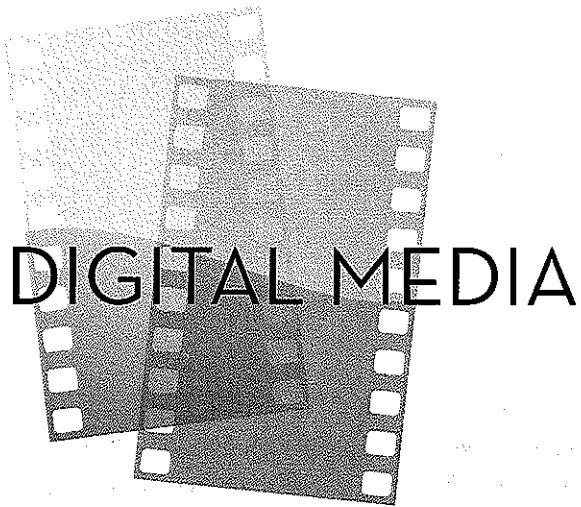
TALENT DEVELOPMENT

**Enhancing high-tech and high-wage jobs,
increasing skills and developing talent is at
the core of the film and creative industries.**

Each project that is produced in Michigan provides the opportunity for the Michigan-based creative class to further develop their abilities. Promoting, strengthening and increasing local film and creative talent encourages this workforce to stay in Michigan, continue contributing to the local economy by developing their own content while attracting contractual work from out-of-state production and digital projects.

RECOMMENDATIONS

- Partner with film and creative industry members to conduct workshops in various regions of the state to provide training, connect talent with employment opportunities and increase awareness of the film and creative industry's breadth and depth in the state
- Create a talent bank of private employers that are willing to provide internship and apprenticeship opportunities for individuals interested in pursuing a film or other creative industry career, including skilled trades
- Maintain efficient and accurate production, crew and locations directories that pair local talent with available production positions. Enhance the growth of these directories through promotional efforts by the office, industry partners, regional film offices and MFO advisory council members
- Encourage production companies to participate in film crew advancement efforts that focus on and include on-the-job training and mentorships to increase the skills and talents of those involved with the overall production
- Explore opportunities for above-the-line and below-the-line talent to participate in Michigan-based community service programs and organizations

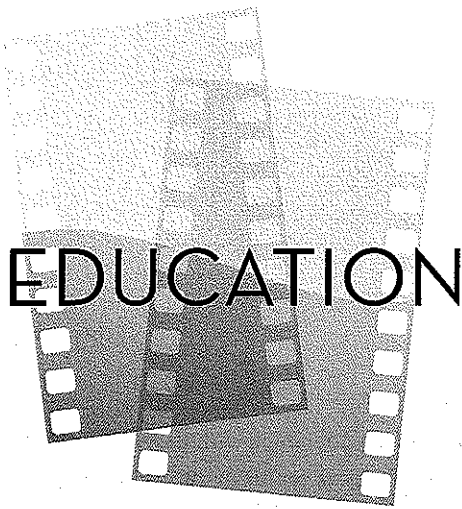


Building the digital media sector as part of the creative industry is another component to developing talent and retaining our youth.

Most individuals utilize a phone, computer or other electronic device throughout the day. It continues to become part of a lifestyle and Michigan is home to some of the most talented individuals in this area. Strengthening the support of this industry and developing partnerships with the private sector can help Michigan become the Midwest hub for digital media.

RECOMMENDATIONS

- Create public/private partnerships with those interested in growing the digital media sector in our state and help foster the economic growth of this industry. This yields the opportunity to declare Michigan as the Midwest digital media hub of the country
- Digitize locations that have been featured in film production on a mobile application that can be used for tourism purposes
- Research the potential of hosting a digital media summit in Michigan to highlight what the state has to offer to the digital media industry on national and international levels
- Expand efforts to attract post-production along with marketing and advertising projects to Michigan as they have a higher propensity to provide more sustainable, long-term jobs that are more high-tech and high-wage in nature



Retaining our youth continues to be a priority for our state.

With several high schools, colleges and universities across Michigan providing film and creative industry programs, there is an opportunity for the MFO to strengthen relationships with these institutions, utilize the skills and talents of our youth and apply employment matchmaking and place making techniques to encourage their decision to stay in Michigan and continue investing in its economy.

RECOMMENDATIONS

- Maintain an updated listing of high schools, colleges and universities with creative programs in the state and help connect students with industry related professionals for hands-on educational opportunities, including skilled trades and digital media
- Strengthen relationships with high schools, colleges and universities that have a creative program by offering in-class presentations about the creative industry from the state's perspective and by connecting with social media directors to leverage messaging efforts
- Inspire creativity and teamwork by partnering with colleges and universities to participate in MFO-sponsored digital media competitions to create digital applications and games that would benefit the film and creative industries across the state
- Connect high school, college and university ambassadors for the creative industry with the MFO advisory council to solicit their ideas, support their efforts and encourage the growth of youth in the creative industry

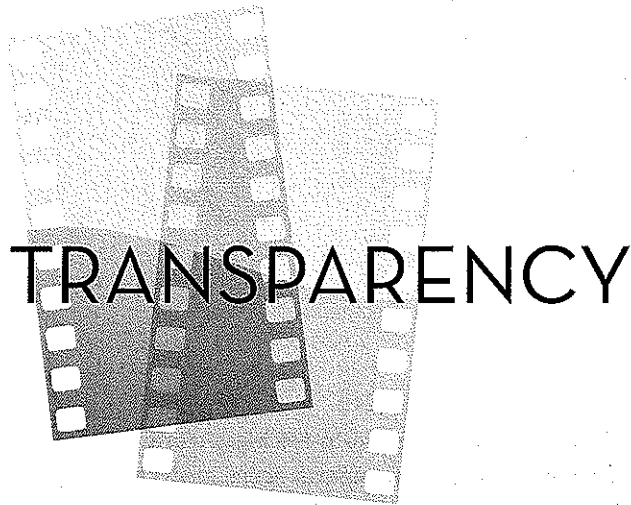


The beauty and diversity of Michigan is what makes it one of the most competitive states in the nation to pursue creative projects.

Michigan has a comeback story to tell—the economy continues to improve and Detroit is now thriving. One of the best ways to convey this positive message is through the creative industry.

RECOMMENDATIONS

- Solicit and feature return-to-Michigan stories in newsletters, legislative reports, social media and on the MFO website that highlight individuals, businesses and projects that choose to return to Michigan to pursue their creative goals
- Coordinate with production companies to encourage cast and crew members to participate in tours around Michigan to showcase the beauty and diversity of our state
- Partner with the Pure Michigan tourism campaign to allow tourists to identify whether their visit was inspired by a film or creative industry feature
- Provide promotional certificates to locations and communities that have been the sites for a project for both incented and non-incented film productions
- Develop a public/private partnership with theaters and cinemas across the state to host “Made in Michigan Movie Days” featuring projects or actors from Michigan
- Identify and evaluate Michigan’s presence and participation in domestic and international film and creative industry events and trade shows to ensure maximum exposure at efficient costs
- Quantify and qualify testimonials of on-set crew and talent to capture and promote their experience in Michigan
- Explore partnerships with other public and private industries to promote Michigan’s participation in the film industry. An example could include a connection with Michigan airports to feature billboards of Pure Michigan locations that have been the site of a well-known production



Transparency has been and will continue to be a priority for the MFO.

Since the inception of the film credit in 2008, to the transition to the film incentive in 2012, the transparency of the program has enhanced; however, there is always room for additional improvement. As the MFO continues to expand its responsibilities into other diverse areas, maintaining transparency will remain a priority.

RECOMMENDATIONS

- Maintain current requirements and further enhance legislative reporting to provide legislators all relevant data and material related to the film and creative industries to ensure they have all information at their disposal as they make legislative decisions
- Provide legislators quarterly progress updates as to the implementation of this strategic plan

- Encourage film and creative industries to expand their external outreach during a production by connecting with their respective local and legislative leaders to convey the impact and importance of the project happening in their community
- Solicit production companies and qualified facilities for testimonials from below-the-line and above-the-line talent based on their experience in Michigan
- Update and modernize the MFO website to ensure easy access and navigation of the information
- Ensure regular communication with the creative industry by providing consistent, periodic updates that would include information from the MFO, highlights of upcoming projects happening across the state, and return-to-Michigan stories to show the growth of the creative industry in Michigan
- Leverage social media and networking efforts by incorporating and featuring more infographics about the creative industry, strengthening the MFO's relationships with schools, colleges and universities, enhancing location scouting opportunities, highlighting Pure Michigan features related to the creative industry and featuring regional film offices and MFO advisory council members



CUSTOMER SERVICE SATISFACTION

Ensuring an efficient and effective process is at the core of providing quality customer satisfaction.

The MFO strives to learn what is done well, what areas can be improved upon and what can be accomplished to keep Michigan competitive across the country. This includes the need to streamline services, provide timely and accurate responses and leverage film and creative industry partners that are focused on accomplishing the same goals.

RECOMMENDATIONS

- Collect focused feedback from production companies to evaluate their experience with the MFO throughout the lifetime of their project and seek ideas for continual improvement
- Maintain a user-friendly website where individuals interested in the film and creative industry can identify local creative industry partners and organizations and discover opportunities on how to get involved
- Utilize and leverage the relationship of Michigan's regional film offices and MFO advisory council members to assist with regional workshops, a mechanism to capture non-incented projects across the state, expand production directories and strengthen legislative outreach effort
- Evaluate and streamline application and funding disbursement process to maintain efficiency of data being collected and ensure competitiveness in comparison to other states



MEASURES AND METRICS

Capturing and measuring data is an important step in the effort to understand what initiatives are successful and what should be improved to increase the benefits of a program.

Currently the MFO collects information on the projects that receive an incentive, however little information is gathered and evaluated in the other areas of service provided by the office, including film projects that do not seek an incentive from the state. While many focus on the incentives side of the film and digital media program, it is important to note that many services provided by the MFO are non-incentive in nature. It is believed that thousands of projects have been filmed in Michigan over the years that have not sought an incentive from the state. Many of them do, however, use the MFO as a resource to find the best resident talent, crew, locations, and vendors across Michigan that maintain their livelihood via a revolving

door of incented and non-incented projects. The MFO also serves as a liaison between the production companies and other local units of government. Accurately collecting data in order to properly evaluate all services provided by the MFO will aid the office in being more efficient with dollars used to provide services to customers in the film and creative industries.

RECOMMENDATIONS

- Collect and report additional marketing data on projects that receive an incentive to quantify the exposure of the project that promotes the Pure Michigan logo
- Create a mechanism to capture data on all film projects in Michigan—incented and non-incented—to measure the breadth and depth of the film and creative industry and realize its impact
- Conduct an economic study on the impact of film in the tourism industry and how Michigan compares to other states
- Strengthen relationships with all film festivals in the state to garner data related to how many attendees participated in the festival and the economic impact of the festivals in the various communities
- Evaluate the foundation of the digital media sector in Michigan and where it compares amongst other states
- Explore ways to quantify the impact of known talent that have worked in Michigan sharing their positive experience on national and international levels

MICHIGAN STRATEGIC FUND ACT (EXCERPT)

Act 270 of 1984

125.2029a Michigan film office; creation in fund; successor office; duties; powers; budget, procurement, and management functions; administration by commissioner and president of fund; support staff; cooperation with departments, agencies, boards, commissions, and officers.

Sec. 29a. (1) The Michigan film office is created in the fund. The office shall be the successor to any authority, powers, duties, functions, or responsibilities of the Michigan film office under former section 21 of the history, arts, and libraries act, 2001 PA 63.

(2) The office may do all of the following:

(a) Promote and market locations, talent, crews, facilities, and technical production and other services related to film, digital media, and television production in this state.

(b) Provide to interested persons descriptive and pertinent information on locations, talent, crews, facilities, and technical production and other services related to film, digital media, and television production in this state.

(c) Provide technical assistance to the film, television, and digital media industry in locating and securing the use of locations, talent, crews, facilities, and services in this state.

(d) Encourage community and Michigan film, digital media, and television production industry participation in, and coordination with, state and local efforts to attract film, digital media, and television production in this state.

(e) Serve as this state's chief liaison with the film, digital media, and television production industry and with other governmental units and agencies for the purpose of promoting, encouraging, and facilitating film, digital media, and television production in this state.

(f) Explain the benefits and advantages of producing films, digital media, and television productions in this state.

(g) Assist film, digital media, and television producers with securing location authorization and other appropriate services connected with film, digital media, and television production in this state.

(h) Scout potential film locations for national and international film, digital media, and television prospects.

(i) Escort film, digital media, and television producers on location scouting trips.

(j) Serve as a liaison between film, digital media, and television producers, state agencies, local agencies, federal agencies, community organizations and leaders, and the film, digital media, and television industry in this state.

(k) Assist film, digital media, and television producers in securing permits to film at specific locations in this state and in obtaining needed services related to the production of a film, digital media, or a television program.

(l) Represent this state at film, digital media, and television industry trade shows and film festivals.

(m) Sponsor workshops or conferences on topics relating to filmmaking, including, but not limited to, screenwriting, film financing, and the preparation of communities to attract and assist film, digital media, and television productions in this state.

(n) Encourage cooperation between local, state, and federal government agencies and local film offices in the location and production of films, digital media, and television programming in this state.

(o) Coordinate activities with local film offices.

(p) Facilitate cooperation from state departments and agencies, local governments, local film offices, federal agencies, and private sector entities in the location and production of films, digital media, and television programming in this state.

(q) Prepare, maintain, and distribute a directory of persons, firms, and governmental agencies available to assist in the production of films, digital media, and television programming in this state.

(r) Prepare, maintain, and distribute a digital library depicting the variety and extent of the locations within this state for film, digital media, and television productions.

(s) Prepare and distribute appropriate promotional and informational materials that do all of the following:

(i) Describe desirable locations in this state for film, digital media, and television production.

(ii) Explain the benefits and advantages of producing films, digital media, and television productions in this state.

(iii) Detail services and assistance available from state government, from local film offices, and from the film, digital media, and television industry in this state.

(t) Solicit and accept gifts, grants, labor, loans, and other aid from any person, government, or entity. The

film office shall disclose the identity and amount of all gifts, grants, and other donations on its website.

(u) Employ technical experts, other officers, agents, or employees, permanent or temporary, paid from the funds of the office. The office shall determine the qualifications, duties, and compensation of those the office employs.

(v) Contract for goods and services and engage personnel as necessary to perform the duties of the office under this chapter.

(w) Study, develop, and prepare reports or plans the office considers necessary to assist the office in the exercise of its powers under this chapter and to monitor and evaluate progress under this chapter.

(x) Exercise the duties and responsibilities vested in the office under this chapter and all of the following:

(i) Section 88d.

(ii) Section 88j(3)(e).

(iii) Section 4cc of the general sales tax act, 1933 PA 167, MCL 205.54cc.

(iv) Sections 455 to 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1455 to 208.1459.

(y) Create and operate a film and digital media production assistance program to encourage film and digital media production throughout this state as provided in section 29h.

(z) All other things necessary or convenient to achieve the objectives and purposes of the office, this chapter, or other laws that relate to the purposes and responsibilities of the office.

(3) The enumeration of a power in this chapter shall not be construed as a limitation upon the general powers of the office. The powers granted under this chapter are in addition to those powers granted by any other law.

(4) The commissioner and the president of the fund shall cooperate in administering the budget, procurement, and related management functions of the office. The fund may provide the office with staff support and other services to assist the office in performing the functions and duties of the office.

(5) State departments, agencies, boards, commissions, and officers and local film offices shall cooperate with the office in the performance of the office's duties under this chapter.

History: Add. 2008, Act 75, Eff. May 4, 2008;—Am. 2011, Act 291, Imd. Eff. Dec. 21, 2011.

Popular name: Strategic Fund